

In this Talbots Retail Installment Credit Agreement/Credit Sale Contract/Retail Installment Contract (this “**Agreement**”), the words “you” and “your” refer to any person who signs an Application for a Talbots Charge Account, has requested and is issued a Talbots credit card, or is authorized to use a Talbots Charge Account, and the words “we,” “us,” and “our” refer to Talbots Classics National Bank (“**TCNB**”), 4 Blackstone Valley Place, Lincoln, RI 02865, its affiliates, and any person or entity to whom or to which this Agreement may be assigned (which you agree may occur without advance notice to you). All credit cards for your Talbots Charge Account (“**Account**”) are issued, and all credit for your Account is extended, by TCNB.

1. Promise to Pay: You are responsible for and agree to pay all amounts owed on your Account. You and we agree to everything included in this Agreement.

2. Cost of Credit: No Interest Charge is imposed in any monthly billing period (a) in which there is no balance at the beginning of the billing period (the “**Previous Balance**” shown on your monthly statement) or (b) in which payments received and credits issued within twenty-five days after the Billing Date shown on your monthly statement equal or exceed the balance at the beginning of the billing period. If we do not receive the full amount due (the “**New Balance**” shown on your monthly statement) within twenty-five days after the Billing Date shown on your monthly statement, we will compute a Interest Charge on the Average Daily Balance by applying a monthly periodic rate of 2.08% (**ANNUAL PERCENTAGE RATE 24.99%**).

3. Method of Computing Interest Charge: We compute the Interest Charge on your Account by applying the monthly periodic rate to the “Average Daily Balance” of your Account (including current transactions). To get the “Average Daily Balance” we take the beginning balance of your Account each day, add all new purchases, all billed and unpaid Interest Charges, and all late fees, and subtract all payments and credits. This gives us the daily balance. Then we add up all the daily balances for the billing period and divide the total by the number of days in the billing period. This gives us the “Average Daily Balance.” (We treat credit balances as zero balances when we figure the daily balance and “Average Daily Balance.”) However, if the total Interest Charge accrued on your Account for a billing period (figured as described above) is greater than zero but less than \$0.50, the **INTEREST CHARGE** for that billing period will be **\$0.50**.

Your payments will be allocated to pay off the goods purchased as follows: first to any unpaid Interest Charge, next to any unpaid Late Fee, then to pay off each purchase, oldest purchase first.

4. Minimum Monthly Payment: You agree to pay at least the Minimum Payment Due shown on your monthly statement on or before the Payment Due date shown on that statement. Your minimum monthly payment will be 1/20th of the New Balance, but not less than \$20.00, plus any unpaid late fees from the prior month and any minimum payment from a previous billing period, or the entire New Balance if it is less than \$20.00. The minimum payment will include any past due amount. You may pay more than the minimum payment due in any month, but if you do, and there is a balance due, you must continue to make minimum payments in future months. **You may pay your total indebtedness (the New Balance) or any part thereof (but no less than the Minimum Payment Due) on or before the Payment Due Date.**

5. Late Fee: We may impose a late fee of up to \$35.00 for any minimum payment not received by the Payment Due Date.

6. Default/Collection Costs: If you fail to pay any minimum monthly payment when due, if you declare bankruptcy, or if you die, it will be a default, and, subject to any right you may have under state law to receive notice of and to cure such default, we may declare the entire unpaid balance in your Account due and payable. If your Account is referred to an attorney who is not our salaried employee, and we prevail in a suit against you to collect the amount you owe, in addition to the full amount owed and any court costs, you agree to pay our reasonable attorney’s fees to the extent permitted by applicable law.

7. Canceling or Limiting Your Credit: We have the right at any time to limit or terminate the use of your Account without giving you notice in advance. All credit cards we issue remain the property of TCNB, the card issuer. If requested, you agree to return any credit card issued to you. You agree to tell us promptly if any credit card we issue to you is lost or stolen.

8. Changes and Additions: We may (a) change any term of this Agreement, including without limitation the rate of INTEREST CHARGE, and (b) add new terms to this Agreement, including without limitation new terms that do not pertain to subject matters addressed in this Agreement, by furnishing you notice of the change or the addition to the extent required by applicable law. If permitted by applicable law, all changed terms and all new terms may at our option be applied to the balance existing in your Account at the time of the change or the addition and to any future balance. THE RATE OF THE INTEREST CHARGE PROVIDED FOR ABOVE, OR TO BE IMPOSED BY ANY SUCH AMENDMENT, IS NOT, AND SHALL NOT BE, MORE THAN THE MAXIMUM PERMITTED BY LAW.

9. Credit Investigation: You authorize us to investigate your credit history and to obtain information about your creditworthiness by obtaining consumer reports and by making direct inquiries of businesses where you have accounts and where you work. We may request consumer reports from consumer reporting agencies in considering your Application for your Account and later in connection with updates, renewals, extensions of credit, or to collect amounts owed on your Account. Upon your request we will tell you whether a consumer report was requested and the name and address of any consumer reporting agency that furnished the report. You agree we may report your performance under this Agreement to consumer reporting agencies and others who may properly receive the information.

10. Disputed Accuracy of Credit Report: If you believe we have reported inaccurate information about you to a consumer reporting agency, please contact us at TCNB, 4 Blackstone Valley Place, Lincoln, RI 02865. When you notify us, provide your account number, identify the inaccurate information and tell us why you believe it is inaccurate. If you have the credit report that includes the inaccurate information, include a copy.

11. Change of Address: You agree to notify us promptly in writing if you move. Until we receive, process, and verify your new address, we will continue to send monthly statements and other notices to the last address we have on file for your Account.

12. Disputed Amounts: All written communications about disputed amounts, including without limitation any check or other payment instrument in an amount less than the full amount due that you send to us marked “paid in full,” you tender with other conditions or limitations, or you otherwise tender as full satisfaction of a disputed amount, must be sent to us at the address for billing errors or questions shown on your monthly statement.

13. No Waiver by Us: You agree we have the right without notice to you to delay or refrain from enforcing our rights under this Agreement without losing them. For example and without limitation, you agree we may extend the time to make payments without extending the time to make other payments, accept late or partial payments without waiving our right to have future payments made when they are due, and waive any late fee in case of a late payment without losing our right to impose a late fee for other late payments.

14. Telephone Monitoring: To assure that we are providing you with our high standard of customer service and that our Associates are complying with our policies and all applicable laws, our supervisors may listen to and record incoming and outgoing customer telephone calls.

15. Miscellaneous: This Agreement will survive termination of your Account and repayment of all amounts due under this Agreement. If any part of this Agreement is determined to be invalid under any law, the invalidity will not invalidate the remaining parts of this Agreement.

16. Governing Law: You agree this Agreement is not valid until we accept it in Rhode Island and all credit we extend to you is extended from Rhode Island. You also agree this Agreement is governed only by applicable federal law and Rhode Island law, even if you do not reside in Rhode Island or use your credit card for your Account or otherwise make a purchase in Rhode Island.

Notice to New York Residents: New York residents may contact the New York State Banking Department at 1-800-518-8866 to obtain a comparative listing of credit card rates, fees and grace periods.

Notice to Ohio Residents: The Ohio laws against discrimination require that all creditors make credit equally available to all credit-worthy customers and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

Notice to Wisconsin Residents: No provision of a marital property agreement, unilateral statement under Wis. Stat. Section 766.59, or a court decree under Wis. Stat. Section 766.70 shall adversely affect a creditor’s interest unless the creditor, prior to the time credit is granted, is furnished a copy of the agreement, statement or decree or has actual knowledge of the adverse provision when the obligation to the creditor is incurred.

See reverse side for important information.

101643 DM Retail Credit Agreement 2010 - Insert for charge card - U.S. (front)

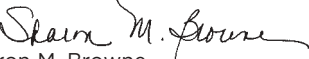
Final Size: 8.25" x 14"
Mechanical Size: 100% of Final
Laser Output: 100%
Colors: Talbots Red 09, PANTONE Cool Gray 11 U, Black
Qty: 10,000

NOTICE TO THE BUYER: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to an exact, completely filled-in copy of the agreement you sign at the time you sign it. (3) Under the law, you have the right to prepay the full amount due under this agreement at any time and under certain conditions to obtain a partial refund of the service charge. Keep this agreement to protect your legal rights. (4) If you desire to pay off in advance the full amount due, the amount which is outstanding will be furnished upon request. (5) Residents of MA: You may cancel a purchase under this agreement if it has been signed by a party thereto at a place other than the address of the seller which may be his main office or branch thereof; provided, you notify the seller in writing at his main office or branch, by ordinary mail posted, by telegram sent or by delivery, not later than midnight of the third business day following a purchase under this agreement. (6) Residents of WA: You may cancel any purchases made under this charge agreement if the seller or his representative solicited in person such purchase, and you sign an agreement for such purchase, at a place other than the seller's business address shown on the charge agreement, by sending notice of such cancellation by certified mail return receipt requested to the seller at his address shown on the charge agreement, which notice shall be posted not later than midnight of the third day (excluding Sundays and holidays) following your signing of the purchase agreement. If you choose to cancel this purchase, you must return or make available to seller at the place of delivery any merchandise, in its original condition, received by you under this purchase agreement.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

NOTE: The information about the costs of the card described in this application is accurate as of the date of printing in September, 2010. This information may have changed after the date of printing. To find out what may have changed, write to us at Talbots Classics National Bank (TCNB), 4 Blackstone Valley Place, Lincoln, RI 02865.

Creditor: Talbots Classics National Bank (TCNB)

By: 
Sharon M. Browne

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask you for your name, address, date of birth, social security number and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. This information is not used in our evaluation of your credit worthiness.

NOTICE: The following is important information regarding your right to dispute billing errors.

YOUR BILLING RIGHTS: KEEP THIS NOTICE FOR FUTURE USE.

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

Notify Us in Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet of paper at the address listed on the reverse side of your bill for billing errors or questions. Write to us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appears. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- Describe the error and explain, if you can, why you believe there is an error.
- The dollar amount of the suspected error.
- If you need more information, describe the item you are not sure about.

Your Rights and Our Responsibilities After We Receive Your Written Notice

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including INTEREST CHARGES, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. If we find we made a mistake on your bill, you will not have to pay any INTEREST CHARGES related to any questioned amount. If we didn't make a mistake, you may have to pay INTEREST CHARGES, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is. If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

Special Rule for Credit Card Purchases

If you have a problem with the quality of property or services you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services.

Privacy Policy

We are providing you this notice in compliance with federal regulations. Please read this carefully and retain it for your records.

As a Talbots Charge account customer, you may share personal information with us. We share this information with our corporate affiliates in order to process transactions that you have requested on your Talbots Charge account. We also use this information to improve our services to you and for marketing and promotional purposes. Because the security of your personal information is very important to us, we restrict access to your nonpublic personal information to those associates who need to know that information to provide products or services to you. We also maintain physical, electronic and procedural safeguards that comply with federal regulations to protect your nonpublic personal information.

We collect nonpublic personal information about you from the following sources:

- information you provide on charge account applications and other forms, such as change of address forms, by telephone or in person to our representatives;
- information about your transactions with us, through the processing of sales and return transactions in our stores, on our web site and through our catalogs;
- information about your transactions with other retailers and financial institutions; and
- information from consumer reporting agencies.

All of the information we collect, as described above, may be disclosed, if you are an active or former holder of a Talbots Charge account issued by Talbots Classics National Bank ("TCNB").

We may share among our affiliates information as to experiences and transactions between you and one or more of our affiliates. Also, we may share among our affiliates other information about you (such as information you provided on your application) ("Other Information"). You may prohibit that sharing of Other Information by writing to us at TCNB, 4 Blackstone Valley Place, Lincoln, RI 02865.

We may disclose all of the nonpublic personal information we collect, as described above, to:

- nonaffiliated companies that perform services directly for us; and
- our affiliated retail and finance companies and to nonaffiliated third parties as permitted by law.

From time to time, we may also disclose your nonpublic personal information to carefully screened nonaffiliated third parties, such as other retailers or direct marketers, that do not perform services directly for us but that do offer quality products and services that may be of interest to you.

If you prefer that we do not disclose nonpublic personal information about you to nonaffiliated third parties such as other retailers or direct marketers, you may direct us not to make those disclosures (other than disclosures permitted by law). If you wish to opt out of such disclosures to nonaffiliated third parties, you may visit us at talbots.com and click on our Privacy and Security policy or call the following toll-free number: 1-866-473-5905, and advise us that you wish to opt out of any disclosure we may make to nonaffiliated third parties. For your convenience please have your Talbots Charge account number available when you call.

Revised 09/10

Tabular Summary of Certain Disclosures as Required by Federal Law

INTEREST RATES AND INTEREST CHARGES	
Annual Percentage Rate (APR) for Purchases	24.99%
Paying Interest	Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire balance by the due date each month.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$0.50.
For Credit Card Tips from the Federal Reserve Board	To learn more about the factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at http://www.federalreserve.gov/creditcard .
FEES	
Penalty Fees	
• Late Payment	Up to \$35

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." See your account agreement for more details.